## Message Text

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PLEASE PASS TO R. WILLIAMSON ATTENDING OPANAL MEETING

FOLLOWING REPEAT BUENOS AIRES 02707 ACTION SECSTATE INFO BONN BRASILIA MEXICO OTTAWA SANTIAGO EC BRUSSELS IAEA VIENNA ERDA HQ WASH DC ERDA HQ GERMANTOWN APR 14, 1977

QTE SECRET BUENOS AIRES 2707

E.O. 11652: GDS
TAGS: TECH, ENRG, MNVC, PFOR, AR
SUBJECT: ARGENTINE CNEA REACTION TO PRESIDENT CARTER'S NUCLEAR
POLICY STATEMENT

REF: STATE 78034

1. SUMMARY. THE PRESIDENT OF THE ARGENTINE CNEA VIEWS SUBJECT STATEMENT AS ENHANCING THE ATTRACTIVENESS OF NATURAL URANIUM-HEAVY WATER POWER REACTORS. HE IS INTERESTED IN COOPERATION WITH THE U.S. ON HEAVY SECRET

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WATER AND INTERESTED IN OUR REACTION TO ARGENTINA'S PILOT REPROCESSING PLANT PROJECT. CASTRO MADERO HAS STRESSED A LACK OF INTEREST IN BUILDING A BOMB, ALTHOUGH INDICATING ARGENTINA WOULD IF BRAZIL DID. NPT ADHERENCE WOULD BE A POSSIBILITY, IF BRAZIL AND CHILE JOINED ARGENTINA IN SO DOING. HE EXPRESSED CONCERN THAT AN EFFECT OF THE NEW U.S. POLICY WILL BE SEEN AS MAINTAINING

ARGENTINA AND LATAM IN GENERAL IN AN UNDERDEVELOPED STATUS. END SUMMARY.

- 2. PRESENTATION OF PRESIDENTIAL STATEMENT BY S&T COUNSELOR TO CNEA PRESIDENT CASTRO MADERO LED TO HALF HOUR GENERAL EXCHANGE ON NUCLEAR POLICY, NONPROLIFERATION, ETC. CASTRO MADERO HAD SEEN PRESS VERSIONS OF CARTER STATEMENT, BUT EXPRESSED GRATITUDE AT RECEIVING THE "AS DELIVERED" VERSION.
- 3. CASTRO MADERO OBSERVED THAT ARGENTINE NUCLEAR PLAN REQUIRES NEITHER ENRICHMENT NOR REPROCESSING, HENCE THESE DECISIONS OF U.S. ADMINISTRATION PRODUCE ONLY MINOR EFFECTS HERE. HE ALSO NOTED, NOT SURPRISINGLY, THAT U.S. DECISION NOT TO REPROCESS APPEARS TO MAKE THE NATURAL URANIUM, HEAVY WATER POWER REACTOR ALL THE MORE ATTRACTIVE AS COMPARED TO LWR'S, THUS REINFORCING ARGENTINA'S EARLIER DECISION TO GO THIS ROUTE.
- 4. OF MORE URGENCY TO HIM, CASTRO MADERO SAID, WOULD BE U.S. ATTITUDE TOWARD COOPERATION IN NON-EMBARGOED AREAS. HE EXPRESSED PARTICULAR INTEREST IN OUR COLLABORATION IN HEAVY WATER, NOTING THAT HEAVY WATER WAS ESSENTIAL TO THE ARGENTINE PLAN AND THAT RESTRICTIONS ON TECHNOLOGY TRANSFER IN THIS AREA WERE LESS UNDERSTANDABLE, I.E., ONE STILL NEEDED A REPROCESSING PLANT TO PRODUCE PLUTONIUM, EVEN IF ONE BUILT A NATURAL URANIUM-HEAVY WATER REACTOR. SECRET

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WE WERE NON-COMMITTAL ON THE PROSPECTS FOR SUCH COLLABORATION, NOTING ONLY THAT (A) HE WAS, OF COURSE, CORRECT FROM A TECHNICAL STANDPOINT; (B) IT MIGHT DEPEND SOMEWHAT ON ONE'S PERCEPTION OF SAFEGUARDS; (C) THE PRESIDENTIAL STATEMENT PER SE DID NOT EMBARGO SUCH COOPERATION.

5. CASTRO MADERO ASKED WHAT U.S. ATTITUDE WOULD BE TOWARD ARGENTINA'S PLANNED PILOT REPROCESSING PLANT, WHICH HE INDICATED WAS INTENDED TO HANDLE RA-3 RESEARCH REACTOR FUEL OF U.S. ORIGIN. WE NOTED THAT THERE WAS A PROVISION IN THE U.S.- ARGENTINA NUCLEAR BILATERAL AGREEMENT CONCERNING THIS, BUT WERE WERE OTHERWISE NON-COMMITTAL. (NOTE: CNEA IS NOW, IF THEY WERE NOT BEFORE, FAMILIAR WITH ERDA PART 810 AS WELL. AT CNEA REQUEST, WE SENT THEM A COPY LAST WEEK.)

6. CASTRO MADERO STATED RATHER CLEARLY THAT ARGENTINA

HAD NO INTENTION OF BUILDING THE BOMB AND THAT HE THOUGHT EVERYBODY WOULD KNOW IT WITHIN THREE DAYS IF IT EVER STARTED OUT TO. AS BOMB TECHNOLOGY WAS DEVELOPED 30 YEARS AGO, HE HAD NO DOUBT THAT ARGENTINA COULD BUILD ONE IF IT HAD TO. FURTHER, IF BRAZIL BUILT ONE, EVERYBODY KNEW THAT ARGENTINA WOULD ALSO, AND VICE VERSA. THEREFORE, THERE WAS NO POINT IN EITHER ONE OF THEM DOING IT.

7. RE THE NPT, CASTRO MADERO SAID HE FELT THE PRESENT GOVERNMENT WAS TRYING TO REBUILD THE COUNTRY AND WAS IN A WEAK POSITION DOMESTICALLY TO DEFEND SUCH AN ACTION. NONETHELESS, HE INDICATED THAT ADHERENCE WAS POSSIBLE IF ARGENTINA, BRAZIL, AND CHILE WOULD TAKE SUCH A STEP TOGETHER (COMMENT: THE CHIEF HOLDOUT AT PRESENT WOULD THEREFORE APPEAR TO BE BRAZIL, WHICH REITERATED IN ITS RECENT WHITE SECRET

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PAPER ITS INTENTION NOT TO ADHERE.)

8. WHILE ACKNOWLEDGING THAT THIS WAS PROBABLY NOT PRESIDENT CARTER'S INTENT, CASTRO MADERO FEELS AN EFFECT OF THIS NEW POLICY WILL BE TO HELP MAINTAIN ARGENTINA AND LATAM IN GENERAL IN AN UNDERDEVELOPED STATE. THUS, THE BOX ARGENTINA IS IN NUCLEAR-WISE PREVENTS HIM FROM MAKING EFFECTIVE PLANS FOR THE FUTURE. HE MENTIONED THE CANADIAN DEMAND TO ADHERE TO NPT OR ACCEPT FULL-SCOPE SAFEGUARDS AND EXPRESSED A CERTAIN RESENTMENT TO THE EVER-INCREASING SAFEGUARDS DEMANDS OF THE TRUDEAU GOVERNMENT, TO WHICH ARE NOW ADDED THESE OF PRESIDENT CARTER. HE SAID THAT IT SEEMED THAT PRESIDENT CARTER FELT LATIN AMERICA TO BE OF LITTLE IMPORTANCE. WE REFUTED THIS, AND SAID THAT WE THOUGHT STATEMENTS IN THE NEAR FUTURE WOULD PROVE THE CONTRARY. CASTRO MADERO NOTED THAT UNDER-DEVELOPMENT OF ARGENTINA (AND FRUSTRATION OF ITS DEVELOPMENT PLANS) COULD WELL LEAD TO A RENEWED FOOTHOLD FOR COMMUNIST AND ANTI-AMERICAN FEELING HERE. PARTICULARLY AMONG THE YOUTH. TO SOME EXTENT, IT MAY ALSO LEAD TO CHARGES IN INTERNATIONAL FORA THAT THE "HAVES" WISH TO KEEP THE "HAVE NOTS" IN AN UNDERDEVELOPED STATUS.

9. WE URGED CASTRO MADERO TO WORK TOWARD NPT
ADHERENCE BY ARGENTINE, BRAZIL, AND CHILE. WE ALSO EMPHASIZED
OUR CONVICTION THAT PRESIDENT CARTER AND THE NEW
ADMINISTRATION WERE GENUINELY CONCERNED ABOUT
NUCLEAR DISARMAMENT, ESPECIALLY REDUCTION OF
THE U.S. AND SOVIET STOCKPILES, AND ALSO ABOUT NON-

## PROLIFERATION.

10. COMMENT: WE THINK THAT CASTRO MADERO'S REMARKS PROVIDE A PRETTY GOOD INSIGHT INTO CURRENT GOA THINKING ON THIS ISSUE. THE INCENTIVES FOR ARGENTINA SECRET

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TO ADHERE TO NPT ARE HIGH, AND IT REMAINS FOR SOME WAY TO BE FOUND TO BRING BRAZIL AROUND FOR THIS RESULT TO BE ACHIEVABLE.
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